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UNCLAS SECTION 01 OF 03 MAPUTO 000537

SIPDIS

STATE FOR EB/CBA - DWINSTEAD, AF/S - HTREGER, OES - JSTORY  
GABORONE FOR ECON/COMMOFF - HMARONEY  
GABORONE PASS TO SOUTHERN AFRICA GLOBAL COMPETITIVENESS HUB  
- AHILLIGAS AND VMONG-GAE  
COMMERCE FOR INTERNATIONAL TRADE SPECIALIST - RTELCHIN  
LABOR FOR ILAB - PWHITE  
MCC FOR SGAULL  
AID FOR DMENDELSON  
E.O. 12958: N/A  
TAGS: [ETRD](#) [ECON](#) [EAGR](#) [BEXP](#) [BTIO](#) [MZ](#) [EINV](#) [BFIF](#)  
SUBJECT: SUCCESSFUL USG-SPONSORED FORUM ENCOURAGES  
MOZAMBICAN ENTREPRENEURS

REF: MAPUTO 439

[1](#)1. Summary: On March 22-23 the Embassy and the USAID-funded Southern Africa Global Competitiveness Hub together hosted a business seminar - the Entrepreneurship Forum - in Maputo, attended by Mozambican university students, private sector representatives, and government officials, with outside speakers from the U.S., Ghana, Senegal, Zambia, Botswana, and the Netherlands. The Forum's aim was to encourage potential and current entrepreneurs to capitalize on business opportunities in Mozambique and export markets abroad, including the U.S. Focus was given to the creation of a sound business plan, the choice of a competitive product, the profiling of target customers, the quest for technical and financial assistance, transport to foreign markets, and finding U.S. business partners. Overall, the Forum proved a great success in publicizing opportunities and technical assistance available for Mozambique's fledgling business community. Post is considering several follow-up actions. End Summary.

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BILATERAL TRADE  
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[1](#)2. Bilateral trade between the U.S and Mozambique is small, but growing. In 2004 the U.S. exported approximately USD 50 million in goods to Mozambique. Exports included second-hand clothing, machinery, wheat, corn, milk products, footwear, and other miscellaneous items. Mozambican exports to the U.S. in 2004 only reached USD 10 million, and consisted mainly of garments, seafood, cashews, tobacco, and other agricultural products.

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SETTING THE STAGE  
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[1](#)3. The Ambassador and the newly-appointed Minister of Industry and Commerce, Antonio Fernando, opened the Forum. The Ambassador emphasized growing commercial ties between the U.S. and Mozambique, including the entry into force of the Bilateral Investment Treaty and ongoing negotiations for a Millennium Challenge Account compact. She also called attention to the upcoming Summit of the Corporate Council on Africa, in Baltimore in June, and urged Mozambique to send a delegation. Minister Fernando outlined measures newly-elected President Guebuza (who took office in early February) would undertake to improve the business climate and attract greater investment. He focused on the need to continue Mozambique's record of rapid export-led growth (GDP growth has averaged nearly 8 percent per year for the past decade) to reduce poverty, particularly in rural areas - a key goal of the Guebuza government. Noting that increasing Mozambique's exports would depend on its private sector's competitiveness, Fernando stressed the necessity of improving domestic commercial policies, the desirability of gaining access to new international markets and called for the elimination of trade barriers. He encouraged Mozambican producers to research and understand quality control requirements for export to the U.S. and EU. He also encouraged donors to continue providing technical assistance to help Mozambican producers comply with international standards. Fernando ended by promising the Guebuza government would do "everything possible in its power to support entrepreneurs and businesspeople."

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ENTREPRENEURSHIP IN VOGUE  
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[1](#)4. The presentations by the three African entrepreneurs were received with considerable attention. The CEO of the Zambia Export Growers Association (ZEGA) presented a thorough account of the production and export of fresh horticultural/floricultural products from Lusaka to markets in Europe, South Africa, Australia, and New Zealand. The ZEGA example demonstrated the success of an association buying from hundreds of local producers. In addition, ZEGA succeeded because it was able to lobby the Zambian government for improved commercial policies and coordinate logistical

arrangements for the packaging and exportation of vegetables, fruit, and cut flowers to international markets. The Ghanaian presenter, a true self-starter and the most energized participant at the Forum, described how he began by selling maize in the evenings after his day job with Unilever, and how his company grew into a much bigger business, now named Yedent Agro-Processing. Yedent now supplies big name breweries such as Heineken, South African Brewing Company (SABCO), and Guinness. In fact, the World Food Program has recently become one of Yedent's biggest clients. The third and final non-Mozambican entrepreneur to present made his start processing yogurt in Senegal. Taking advantage of locally procured ingredients, his company, Yaourtjaboot, now processes and distributes domestically to the Senegalese market.

#### ----- MOZAMBIQUE SUCCESSES -----

15. Following these three entrepreneurs, a panel of four Mozambican business leaders shared stories of their successful operations. One spoke of the resurgence of the cashew sector through the help of technical and financial assistance provided by several NGOs, including the U.S. NGO Technoserve. He reported that Mozambique growers recently have agreed to a brand name for all of their cashew nuts, "Zambique," in an effort to stimulate greater interest in their product in Europe and the U.S. Zambique cashews are sold in the U.S. through a distributor in the Netherlands. Similarly, another panelist noted the considerable growth of Mozambique's shrimp aquaculture industry. In January 2005, the first boxed, frozen aquacultural shrimp from Mozambique arrived in the U.S. By the end of February 75 tons had entered the American market for distribution to Tasty Choice, Wal-Mart and other food companies (septel).

#### ----- U.S. HELP -----

16. The Forum also featured speakers from the Corporate Council on Africa, the U.S. Department of Commerce, and the Southern Africa Trade Hub. They all highlighted opportunities for U.S. financial and technical support, market opportunities, business linkages, and networking events. On the second day, a business consultant gave a hands-on presentation on creating a sound business plan, choosing a competitive product, and profiling of target customers.

#### ----- WHAT'S NEXT? -----

17. To maintain the enthusiasm and strong interest generated by the Forum, Post is considering a variety of follow-on steps, including:

--Establishing a "Business Plan Competition." The competition would involve inviting business students to participate in a USD 25,000 scholarship competition for the best business plan. The plans would be judged by an independent group of business consultants, and the winner would receive the money to implement his/her plan.

--Identifying a group of Mozambican farmers to visit ZEGA facilities in Zambia. Post would call on the U.S. NGO Technoserve to identify Mozambican agricultural producers most likely to benefit from a visit to ZEGA facilities. ZEGA officials would show them how they achieved high quality standards and now successfully export to world markets.

--Working more closely with the Southern Africa Global Competitiveness Hub. As a follow-on to the Forum, the Hub has agreed to provide technical assistance to the seafood industry in Mozambique so that fishermen are able to comply with environmental and phytosanitary requirements to export prawns, lobster, and fish to the U.S. The Hub is also considering how to assist in increasing demand for Zambique cashews in the U.S. and Europe. Post will continue to liaise with the Hub on visits by U.S. companies. Recently GE Transportation and Rail and Anadarko (oil and gas) sent exploratory delegations to Mozambique, and Post expects a visit by the bridge building company, Acrow Bridge, in May.

#### ----- CORPORATE COUNCIL ON AFRICA SUMMIT -----

18. Post is already working alongside the Mozambican government on organizing a government/private sector delegation to the Corporate Council on Africa's U.S.-African Business Summit in Baltimore this June. President Armando Guebuza will lead the delegation and is scheduled to address the Summit on agribusiness issues. To date, representatives of Mozambican businesses in agribusiness, fisheries, manufacturing, and energy and power sectors have confirmed their attendance.

LALIME